

RECEIVED

U-Dial of Tennessee, Inc. 2003 JUN -4 AM 11:38  
345 Harrison Street  
Union City, TN 38261

T.R.A. DOCKET ROOM

June 3, 2003

**VIA HAND DELIVERY**

Mr. David Waddell  
Executive Secretary  
Tennessee Regulatory Authority  
460 James Robertson Parkway  
Nashville, TN 37243

**Re: Application of U-Dial of Tennessee, Inc. for a Certificate to  
Provide Competing Facilities-Based Services within the State  
of Tennessee**

03-00379

Dear Mr. Waddell:

Enclosed are an original and 13 copies of U-Dial of Tennessee's application for a certificate to operate as a competing provider of facilities-based local exchange service in Tennessee. A check in the amount of \$25.00 is enclosed for payment of the requisite filing fee.

Attached as Exhibits E and F to the Application are U-Dial of Tennessee's financial statements and projections. U-Dial of Tennessee is privately held and does not disclose its financial information publicly. Consequently, the financial documentation is provided under separate cover, clearly marked "**CONFIDENTIAL – FILED UNDER SEAL,**" and it is respectfully requested that this information not be made of the public record.

Please refer all questions and correspondence regarding this filing to me. Thank you.

Sincerely,



Ellis Falkoff

**BEFORE THE TENNESSEE REGULATORY AUTHORITY**

**IN THE MATTER OF THE APPLICATION  
OF U-DIAL OF TENNESSEE, INC. FOR A  
CERTIFICATE TO PROVIDE COMPETING  
LOCAL TELECOMMUNICATION SERVICES**

**APPLICATION FOR CERTIFICATE TO PROVIDE  
COMPETING LOCAL TELECOMMUNICATIONS SERVICES**

Pursuant to applicable Tennessee Statutes and the Rules and Regulations of the Tennessee Regulatory Authority and Section 253 of the Federal Telecommunications Act of 1996 ("Act"), U-Dial of Tennessee, Inc. (UDTN) respectfully requests that the Tennessee Regulatory Authority (TRA) grant to UDTN authority to provide competing local telecommunications services, including exchange access telecommunications services, within the State of Tennessee. UDTN is willing and able to comply with all applicable rules and regulations in Tennessee pertaining to the provision of competing local telecommunications services. TCA §65-4-201

In support of its Application, UDTN submits the following:

1. The full name and address of the Applicant is:

U-Dial of Tennessee, Inc.  
345 Harrison Street  
Union City, Tennessee 38261  
Telephone: (731) 885-5888

Questions regarding this application should be directed to:

Ellis Falkoff, President  
U-Dial of Tennessee, Inc.  
345 Harrison Street  
Union City, Tennessee 38261  
Telephone: (731) 885-5888  
Fax: (731) 885-3477

Contact name and address at the Company is:

Ellis Falkoff, President  
U-Dial of Tennessee, Inc.  
345 Harrison Street  
Union City, Tennessee 38261  
Telephone: (731) 885-5888  
Fax: (731) 885-3477

2. Organizational Chart of Corporate Structure:

UDTN is a wholly owned corporation.

3. Corporate Information:

UDTN was incorporated in the state of Tennessee on June 6, 2001. A copy of UDTN's Articles of Incorporation is provided in Exhibit A. A copy of UDTN's Authority to transact business in the State of Tennessee is provided in Exhibit B. The names and addresses of the principal corporate officers are in Exhibit C. The biographies of the principal officers are in Exhibit D.

4. UDTN possesses the managerial, technical, and financial ability to provide local telecommunications service in the State of Tennessee as demonstrated below:

A. Managerial Ability:

As shown in Exhibit D of this application, UDTN has the managerial expertise to operate a telecommunications company in Tennessee successfully. As described in the attached biographical information, UDTN's management team has extensive management and business experience in telecommunications.

B. Technical Qualifications:

UDTN services will satisfy the minimum standards established by the TRA. Applicant will file and maintain tariffs in the manner prescribed by the TRA and will meet minimum basic local standards, including service quality and billing standards required of all LECs regulated by the TRA. Applicant will not require customers to purchase CPE that cannot be used with the incumbent local exchange carrier's systems. Applicant will rely on the technical expertise of the incumbent local exchange carrier's engineers to construct and maintain its network services.

C. Financial Qualifications:

*Financial Statements:* Applicant is financially qualified to provide facilities-based and resold local telecommunications services in Tennessee. Attached hereto as Exhibit E is a copy of the Applicant's financial statements for the year ending December 31, 2002. These statements demonstrate that UDTN possesses the financial and working capital necessary to fulfill any obligations it may undertake with respect to the operation and maintenance of the services proposed in this Application.

*Financial Projections:* Attached hereto as Exhibit F are projected financial statements for the next three (3) years.

Neither the financial statements nor the projected financials reflect any revenues or expenses associated with reciprocal compensation for terminating ISP traffic.

Exhibits E and F contain confidential and proprietary information and are not available to the public. Applicant therefore is submitting this information in a separate sealed envelope, marked "**Confidential**," and respectfully requests that it be given confidential treatment and that it not be made a part of the public record or otherwise be made available for public disclosure.

*Capital Expenditures Budget:* At present, Applicant plans to provide facilities-based local exchange services through the lease of UNE-P or resale and does not plan to make capital expenditures for the purchase of equipment to provide service. Therefore, Applicant requests a waiver of the requirement to provide a three-year capital expenditure budget.

5. Proposed Service Area:

UDTN is already authorized to provide local telecommunications service in Tennessee through resale. A separate entity, U-Dial of Kentucky, Inc., is already authorized to offer local exchange service through resale and UNE-P.

The applicant proposes to offer its services in BellSouth areas throughout the State of Tennessee. These areas are open to competition. UDTN intends to offer its services through resale and UNE-P.

6. Types of Local Exchange Service to be provided:

UDTN expects to offer a variety of local exchange services, primarily on a prepaid basis, to residential customers in Tennessee. UDTN's initial line of local services will be comparable to other offerings of UNE-P CLECs.

7. Repair and Maintenance:

UDTN understands the importance of effective customer service for local service customers. UDTN has made arrangements for its customers to call the company at its toll-free customer service number, (800) 943-3007. In addition, customers may contact the company in writing at the headquarters' address. The Tennessee contact person knowledgeable about providers' operations is Ellis Falkoff, President reference (1.) above.

Grant of the Application will further the goals of the Tennessee Legislature and further the public interest by expanding the availability of competitive telecommunications services in the State of Tennessee. In addition, intrastate offering of these services is in the public interest because the services will provide Tennessee customers increased efficiencies and cost savings. Authorizing UDTN to provide local exchange telecommunications services will enhance the telecommunications infrastructure materially in the State of Tennessee and will facilitate economic development.

In particular, the public will benefit both directly, through the use of the competitive services to be offered by UDTN and indirectly, because UDTN's presence in Tennessee will increase the incentives for other telecommunications providers to operate more efficiently, offer more innovative services, reduce their prices, and improve their quality of service. Grant of this Application will further enhance the service options available to Tennessee citizens for the reasons set forth above.

8. Small and Minority-Owned Telecommunications Business Participation Plan: (TCA §65-5-212):

See Exhibit G.

9. Toll Dialing Parity Plan:

UDTN does not provide access to toll services. Applicant will only offer prepaid local exchange service that is toll-blocked. In the future, if Applicant chooses to provide local exchange service that is not prepaid

and toll-blocked, Applicant understands it must file a toll dialing parity plan at least sixty (60) days prior to such an offering.

10. Applicant has served notice of this application to the eighteen (18) incumbent local exchange telephone companies in Tennessee with a statement regarding the company's intention of operating geographically. See Exhibit H for the list.
11. Numbering Issues:  
  
See Exhibit I.
12. Tennessee Specific Operational Issues:  
  
See Exhibit J.
13. Miscellaneous:
  - A. Sworn pre-filed testimony is provided in Exhibit K.
  - B. Upon certification and prior to commencing, UDTN will file a proposed tariff with the Tennessee Regulatory Authority.
  - C. UDTN is certified as a local reseller in Tennessee. A separate entity, U-Dial of Kentucky, Inc., is certified as a local reseller in Kentucky and also offers local exchange service through BellSouth's UNE-P.
  - D. UDTN is not involved in any mergers or acquisitions. UDTN is a corporation and is not a subsidiary of another corporation.
  - E. Applicant does not require customer deposits.
  - F. There have been no complaints filed with state or federal regulatory agencies involving UDTN or affiliated entities.
  - G. Applicant does not plan to offer services in areas served by any incumbent local exchange telephone company with fewer than 100,000 total access lines.
  - H. A copy of UDTN's tariff is enclosed. See Exhibit L.

**CONCLUSION**

UDTN respectfully requests that the TRA enter an order granting it a certificate of convenience and necessity to operate as a competing telecommunications service provider and authority to provide a full range of local exchange on a UNE-P and resale basis throughout the State of Tennessee in the service areas of BellSouth. For the reasons stated above, UDTN's provision of these services would promote the public interest by providing high quality service at competitive prices and by creating greater economic incentives for the development and improvement for all competing providers.

Respectfully submitted June 2, 2003.



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Ellis Falkoff, President  
U-Dial of Tennessee, Inc.

**Exhibit List**

- A. Articles of Incorporation
- B. Authority to Transact Business
- C. Names and Addresses of Officers
- D. Biographies of Officers
- E. Financial Statements – **CONFIDENTIAL- FILED UNDER SEAL**
- F. Projected Financials – **CONFIDENTIAL - FILED UNDER SEAL**
- G. Small and Minority-Owned Telecommunications Business Participation Plan
- H. Certificate of Service to Incumbents
- I. Responses Regarding Numbering Issues
- J. Responses Regarding Tennessee Specific Operational Issues
- K. Sworn Pre-filled Testimony
- L. Proposed Local Exchange Services Tariff



EXHIBIT A  
CHARTER

**FILED**

of


2001 JUN -6 PM 1:32

**U-Dial of Tennessee, Inc.**

SECRETARY OF STATE

The undersigned, acting as the incorporator under the Tennessee Business Corporation Act, adopts the following charter for such corporation:

1. The name of the corporation is U-Dial of Tennessee, Inc.
2. The corporation is authorized to issue 1,000 common shares, which shares collectively shall have unlimited voting rights and the right to receive the net assets of the corporation upon dissolution.
3. The street address and zip code of the corporation's initial registered office is:  
345 Harrison Street  
Union City, Tennessee 38261
4. The corporation's initial registered office is located in Obion County.
5. The name of the corporation's initial registered agent at that office is Ellis Falkoff.
6. The name, address, and zip code of the incorporator is:  
Ellis Falkoff  
1118 South Sunswept Street #F  
Union City, Tennessee 38261
7. The street address and zip code of the principal office of the corporation is:  
345 Harrison Street  
Union City, Tennessee 38261
8. The corporation is for profit.
9. No director of the corporation shall be personally liable to the corporation or its shareholders for monetary damages for breach of his duties as a director except to the extent that the applicable law from time to time in effect shall provide that such liability may not be eliminated or limited. Neither the amendment nor repeal of this article shall affect the liability of any director of the corporation with respect to any act or failure to act which occurred prior to such amendment or repeal. This article is not intended to eliminate or limit any protection otherwise available to directors of the corporation.

  
Ellis Falkoff, Incorporator

**Secretary of State**  
**Division of Business Services**  
**312 Eighth Avenue North**  
**6th Floor, William R. Snodgrass Tower**  
**Nashville, Tennessee 37243**

DATE: 06/06/01  
 REQUEST NUMBER: 4218-1639  
 TELEPHONE CONTACT: (615) 741-2286  
 FILE DATE/TIME: 06/06/01 1332  
 EFFECTIVE DATE/TIME: 06/06/01 1332  
 CONTROL NUMBER: 0409302

TO:  
 U-DIAL OF TENNESSEE, INC.  
 1203 S. URY  
 STE. B  
 UNION CITY, TN 38261

RE:  
 U-DIAL OF TENNESSEE, INC.  
 CHARTER - FOR PROFIT

CONGRATULATIONS UPON THE INCORPORATION OF THE ABOVE ENTITY IN THE STATE OF TENNESSEE, WHICH IS EFFECTIVE AS INDICATED.

A CORPORATION ANNUAL REPORT MUST BE FILED WITH THE SECRETARY OF STATE ON OR BEFORE THE FIRST DAY OF THE FOURTH MONTH FOLLOWING THE CLOSE OF THE CORPORATION'S FISCAL YEAR. ONCE THE FISCAL YEAR HAS BEEN ESTABLISHED, PLEASE PROVIDE THIS OFFICE WITH THE WRITTEN NOTIFICATION. THIS OFFICE WILL MAIL THE REPORT DURING THE LAST MONTH OF SAID FISCAL YEAR TO THE CORPORATION AT THE ADDRESS OF ITS PRINCIPAL OFFICE OR TO A MAILING ADDRESS PROVIDED TO THIS OFFICE IN WRITING. FAILURE TO FILE THIS REPORT OR TO MAINTAIN A REGISTERED AGENT AND OFFICE WILL SUBJECT THE CORPORATION TO ADMINISTRATIVE DISSOLUTION.

WHEN CORRESPONDING WITH THIS OFFICE OR SUBMITTING DOCUMENTS FOR FILING, PLEASE REFER TO THE CORPORATION CONTROL NUMBER GIVEN ABOVE. PLEASE BE ADVISED THAT THIS DOCUMENT MUST ALSO BE FILED IN THE OFFICE OF THE REGISTER OF DEEDS IN THE COUNTY WHEREIN A CORPORATION HAS ITS PRINCIPAL OFFICE IF SUCH PRINCIPAL OFFICE IS IN TENNESSEE.

FOR: CHARTER - FOR PROFIT

ON DATE: 06/06/01

FROM:  
 MONEY PLACE  
 1203 S UR  
 SUITE B  
 UNION CITY, TN 38261-0000

RECEIVED:	FEES	
	\$100.00	\$0.00
TOTAL PAYMENT RECEIVED:		\$100.00

RECEIPT NUMBER: 00002890612  
 ACCOUNT NUMBER: 00333454



*Riley C. Darnell*

RILEY C. DARNELL  
 SECRETARY OF STATE

**EXHIBIT C**

**Names and Addresses of Officers**

Ellis Falkoff  
President  
U-Dial of Tennessee, Inc.  
345 Harrison Street  
Union City, TN 38261

Julius Falkoff  
Secretary  
U-Dial of Tennessee, Inc.  
345 Harrison Street  
Union City, TN 38261

**EXHIBIT D**

**Biographies of Officers**

Ellis Falkoff, President, has a strong background in telecommunications. He founded a long distance brokerage company in 1994. He primarily focused on sales, customer service, and negotiating in that endeavor.

Recognizing an underserved market, Falkoff launched a prepaid residential dialtone company in 1999. Offering local service under the name The MoneyPlace LLC, Falkoff grew the prepaid business in Tennessee and Kentucky. In 2001, he formed a new entity, U-Dial of Tennessee, Inc. With changing marketplace conditions, Falkoff looks to UNE-P to provide U-Dial of Tennessee customers with even better value.

Julius Falkoff, Secretary, has extensive business experience. A third generation retailer, Falkoff owned and operated department stores as well as co-founded a chain of women's specialty clothing stores. Also, Falkoff was an original investor in First Volunteer Bank as well as a Director. First Citizens National Bank merged with First Volunteer Bank, and currently, Falkoff serves as a Director of First Citizens National Bank. He provides advice on matters such as marketing and finance to U-Dial of Tennessee.

**EXHIBIT G**

**Small and Minority-Owned Telecommunications  
Business Participation Plan**

Pursuant to TCA §65-5-212, as amended, UDTN submits this small and minority-owned Telecommunications business participation plan (the "Plan") along with its Application for a Certificate of Public Convenience and Necessity to provide competing intrastate and local exchange service in Tennessee.

**I. PURPOSE**

The purpose of TCA §65-5-212 is to provide opportunities for small and minority-owned businesses to provide goods and services to Telecommunications service providers. UDTN is committed to the goals of TCA §65-5-212 and to taking steps to support the participation of small and minority-owned Telecommunications businesses in the Telecommunications industry. UDTN will endeavor to provide opportunities for small and minority-owned Telecommunications businesses to compete for contracts and subcontracts for goods and services. As part of its procurement process, UDTN will make efforts to identify and inform minority-owned and small businesses that are qualified and capable of providing goods and services of such opportunities. UDTN's representatives have already contacted the Department of Economic and Community Development, the administrator of the small and minority-owned Telecommunications assistance program, to obtain a list of qualified vendors. Moreover, UDTN will seek to increase awareness of such opportunities so that companies otherwise identified will have sufficient information to participate in the procurement process.

**II. DEFINITIONS**

As defined in TCA §65-5-212.

*Minority-Owned Business.* Minority-owned business shall mean a business which is solely owned, or at least fifty-one percent (51%) of the assets or outstanding stock of which is owned, by an individual who personally manages and controls daily operations of such business, and who is impeded from normal entry into the economic mainstream because of race, religion, sex or national origin and such business has annual gross receipts of less than four million dollars (\$4,000,000).

*Small Business.* Small Business shall mean a business with annual gross receipts of less than four million dollars (\$4,000,000).

### **III. ADMINISTRATION**

UDTN's Plan will be overseen and administered by the individual named below, hereinafter referred to as the Administrator, who will be responsible for carrying out and promoting UDTN's full efforts to provide equal opportunities for small and minority-owned businesses. The Administrator of the Plan will be:

Ellis Falkoff  
U-Dial of Tennessee, Inc.  
345 Harrison Street  
Union City, TN 38261  
Telephone: (731) 885-5888  
Fax: (731) 885-3477

The Administrator's responsibilities will include:

- 1) Maintaining an updated Plan in full compliance with TCA §65-5-212 and the rules and orders of the Tennessee Regulatory Authority.
- 2) Establishing and developing policies and procedures necessary for the successful implementation of the Plan.
- 3) Preparing and submitting such forms as may be required by the Tennessee Regulatory Authority, including the filing of required annual updates.
- 4) Serving as the primary liaison to and cooperating with the Tennessee Regulatory Authority, other agencies of the State of Tennessee, and small and minority-owned businesses to locate and use qualified small and minority-owned businesses as defined in TCA §65-5-212.
- 5) Searching for and developing opportunities to use small and minority-owned businesses and encouraging such businesses to participate in and bid on contracts and subcontracts.
- 6) Providing records and reports and cooperating in any authorized surveys as required by the Tennessee Regulatory Authority.
- 7) Establishing a record-keeping system to track qualified small and minority-owned businesses and efforts to use such businesses.

- 8) Providing information and educational activities to persons within UDTN and training such persons to seek out, encourage, and promote use of small and minority-owned businesses.

In performance of these duties, the Administrator will utilize a number of resources, including:

Chambers of Commerce  
The Tennessee Department of Economic and Community Development  
The United States Department of Commerce  
Small Business Administration  
Office of Minority Business  
The National Minority Supplier Development Council  
The National Association of Women Business Owners  
The National Association of Minority Contractors  
Historically Black Colleges, Universities, and Minority Institutions

The efforts to promote and ensure equal opportunities for small and minority-owned businesses are primarily spelled out in the Administrator's duties above. Additional efforts to provide opportunities to small and minority-owned businesses will include offering, where appropriate and feasible, small and minority-owned businesses assistance with technical, insurance, bonding, licensing, production, and deadline requirements.

#### **IV. RECORDS AND COMPLIANCE REPORTS**

UDTN will maintain records of qualified small and minority-owned businesses and will make efforts to use the goods and services of such businesses. In addition, UDTN will maintain records of educational and training activities conducted or attended and of the internal procurement procedures to support this plan.

UDTN will submit records and reports required by the Tennessee Regulatory Authority concerning the Plan. Moreover, UDTN will cooperate fully with any surveys and studies required by the Tennessee Regulatory Authority.

By: Ellis Falkoff  
Ellis Falkoff, President  
U-Dial of Tennessee, Inc.

Dated June 2, 2003

**EXHIBIT H**

**INCUMBENT LOCAL EXCHANGE SERVICE PROVIDERS  
CERTIFICATED IN TENNESSEE  
(FACILITIES-BASED)**

I, Ellis Falkoff, do hereby certify that the following entities have been notified on June 2, 2003, via first class US mail, postage prepaid, that U-Dial of Tennessee, Inc. seeks approval to provide facilities-based local telecommunications services in the entire State of Tennessee:

- 1) Ardmore Telephone Company, Inc.  
P.O. Box 549  
Ardmore, TN 38449
- 2) BellSouth  
333 Commerce Street  
Nashville, TN 37201
- 3) Century Telephone of Adamsville  
P.O. Box 405  
Adamsville, TN 38310
- 4) Century Telephone of Claiborne  
P.O. Box 100  
New Tazewell, TN 37825
- 5) Century Telephone of Ooltewah-Collegedale, Inc.  
P.O. Box 782  
Ooltewah, TN 37363
- 6) Citizens Communications Company of Tennessee  
P.O. Box 770  
Bluefield, WV 24701
- 7) Citizens Communications Company of the Volunteer State  
P.O. Box 770  
Bluefield, WV 24701
- 8) Loretto Telephone Company, Inc.  
P.O. Box 130  
Loretto, TN 38469
- 9) Millington Telephone Company, Inc.  
P.O. Box 429  
Millington, TN 38083



- 10) Sprint-United  
112 Sixth Street  
Bristol, TN 37620
- 11) TDS Telecom-Concord Telephone Exchange, Inc.  
P.O. Box 22610  
Knoxville, TN 37933
- 12) TDS Telecom-Humphreys County Telephone Company  
P.O. Box 552  
New Johnsonville, TN 37134
- 13) TDS Telecom-Tellico Telephone Company, Inc.  
102 Spence Street  
Tellico Plains, TN 37385
- 14) TDS Telecom-Tennessee Telephone Company  
P.O. Box 18139  
Knoxville, TN 37928
- 15) TEC-Crockett Telephone Company, Inc.  
P.O. Box 7  
Friendship, TN 38034
- 16) TEC-People's Telephone Company, Inc.  
P.O. Box 310  
Erin, TN 37061
- 17) TEC-West Tennessee Telephone Company, Inc.  
P.O. Box 10  
Bradford, TN 38316
- 18) United Telephone Company  
P.O. Box 38  
Chapel Hill, TN 37034

  
Ellis Falkoff

**EXHIBIT I**

**Numbering Issues**

**Please provide answers to the following questions concerning numbering within your proposed service area:**

**NOTE:** UDTN will provide local exchange service through the lease or purchase of UNE-P. Consequently, UDTN will rely on the underlying carrier to ensure pre-assigning of phone numbers. Therefore, this section is not applicable.

1. What is your company's expected demand for NXXs per NPA within a year of approval of your application?
2. How many NXXs do you estimate that you will request from NANPA when you establish your service footprint?
3. When and in what NPA do you expect to establish your service footprint?
4. Will the company sequentially assign telephone numbers within NXXs?
5. What measures does the company intend to take to conserve Tennessee numbering resources?
6. When ordering new NXXs for growth, what percentage fill of an existing NXX does the company use to determine when a request for a new NXX will be initiated?

**EXHIBIT J**

**Tennessee Specific Operational Issues**

- 1) How does the company intend to comply with TCA §65-21-114 (toll-free telephone service within counties)?

Applicant will provide local exchange service through the lease or purchase of UNE-P. Consequently, Applicant will rely on the underlying carrier to ensure compliance with TCA §65-21-114.

- 2) Is your company aware of the Tennessee County-Wide Calling database maintained by BellSouth and the procedures to enter your telephone numbers on the database?

Yes.

- 3) Is your company aware of the local calling areas provided by the Incumbent Local Exchange Carriers in your proposed service areas?

Yes.

- 4) Explain the procedures that will be implemented to assure your customers will not be billed long distance charges for calls within the metro calling areas.

Applicant will provide local exchange service through the lease or purchase of UNE-P. Consequently, Applicant will rely on the underlying carrier to ensure that customers are not billed long distance charges for calls within metro calling areas.

- 5) Please provide the name and telephone number of an employee of your company that will be responsible for working with the TRA on resolving customer complaints?

Ellis Falkoff, President  
U-Dial of Tennessee, Inc.  
345 Harrison Street  
Union City, TN 38261  
Telephone: 731-885-5888  
Fax: 731-885-3477  
Email: [efalkoff@usit.net](mailto:efalkoff@usit.net)

- 6) Does the company intend to telemarket its services in Tennessee?

No. Applicant will market its services directly to residential customers through newspaper, radio, and television advertisements and local agents. Applicant is aware of the telemarketing statutes and regulations found in TCA §65-4-401 *et seq.* and Chapter 1220-4-11.

**EXHIBIT K**

**BEFORE THE  
TENNESSEE REGULATORY AUTHORITY  
NASHVILLE, TENNESSEE**

**APPLICATION OF U-DIAL OF TENNESSEE, INC.  
FOR A CERTIFICATE TO PROVIDE COMPETING  
LOCAL TELEPHONE SERVICES**

**PRE-FILED TESTIMONY OF ELLIS FALKOFF**

I, Ellis Falkoff, do hereby testify as follows in support of the application of UDTN for a Certificate of convenience and necessity as a competing telecommunications services provider to provide telecommunications services throughout the State of Tennessee.

Q: Please state your name, business address, and position.

A: My name is Ellis Falkoff. My business address is U-Dial of Tennessee, Inc., 345 Harrison Street, Union City, TN 38261. I am President of UDTN.

Q: Please briefly describe your duties.

A: I am in charge of all aspects of UDTN's business. I analyze sales figures, solve carrier problems, address office issues, review the P&L, monitor cash flow, buy any equipment or supplies, handle advertising, develop the agent program, review all legal issues, set market pricing, and manage the budget.

Q: Please describe your business experience and educational background.

A: My telecommunications background includes over 9 years' experience as a long distance agent. I have 7 years' experience managing a chain of small consumer loan offices. Also, I have several years' experience in cost savings consulting. For 8 years, I worked in management of a chain of specialty retail stores. My educational background includes an MBA from the University of North Carolina, Chapel Hill, and a BA from Swarthmore College.

Q: Are all statements in UDTN's application true and correct to the best of your knowledge, information, and belief?

A: Yes.

- Q: Please describe the current corporate structure of UDTN.
- A: UDTN is a corporation organized under the laws of Tennessee.
- Q: Does UDTN possess the requisite managerial, financial, and technical abilities to provide the services for which it has applied for authority?
- A: Yes.
- Q: Please describe UDTN's financial qualifications.
- A: Applicant's most recent and projected financial statements are attached as Exhibits E and F to UDTN's application. The financial documentation included with this application demonstrates UDTN is qualified to provide the proposed services. Also, as UDTN's principal, I have excellent credit and am able to procure necessary funds to operate and to grow the company.
- Q: Please describe UDTN's managerial and technical qualifications.
- A: UDTN's managerial and technical qualifications are described in Exhibit of UDTN's application. UDTN has the managerial and technical qualifications to provide the proposed services.
- Q: What services will UDTN offer?
- A: UDTN currently provides prepaid local exchange services on a resale basis in the state of Tennessee. UDTN now plans to provide facilities-based local exchange services in the State of Tennessee through the lease of Unbundled Network Element – Platform from the incumbent local exchange carrier.
- Q: Will UDTN offer service to all customers within its service area?
- A: Yes.
- Q: Does UDTN plan to offer local exchange telecommunications services in areas served by any incumbent local exchange telephone company with fewer than 100,000 lines?
- A: No. UDTN will offer facilities-based local exchange services in those areas in which the incumbent local exchange carrier offers Unbundled Network Element – Platform.
- Q: Will the granting of a certificate of convenience and necessity to UDTN serve the public interest?


- A: Yes. Granting the application will further the goals of the Tennessee Legislature and further the public interest by expanding the availability of competitive telecommunications services in the State of Tennessee. In addition, intrastate offerings of these services are in the public interest because the services will provide Tennessee customers increased efficiencies and cost savings. The public will benefit through the increased availability of the competitive services to be offered by the Applicant. Applicant's presence in Tennessee also will increase the incentives for other telecommunications providers to operate more efficiently, to offer more innovative services, to reduce prices, and to improve service quality.
- Q: Does UDTN intend to comply with all TRA rules, statutes, and orders pertaining to the provision of telecommunications services in Tennessee?
- A: Yes.
- Q: Has any state ever denied UDTN or one of its affiliates authorization to provide intrastate service?
- A: No.
- Q: Has any state ever revoked the certification of UDTN or one of its affiliates?
- A: No.
- Q: Has UDTN or one of its affiliates ever been investigated or sanctioned by any regulatory authority for service or billing irregularities?
- A: No.
- Q: Who is knowledgeable about UDTN's operations and will serve as UDTN's regulatory and customer service contact?
- A: I am knowledgeable about UDTN's operations and will serve as UDTN's regulatory contact. Betty Smith will service as UDTN's customer service contact. Betty and I can be reached at (800) 943-3007.
- Q: Please explain in detail UDTN's proposed procedures for responding to information requests from the TRA and its staff.

A: Applicant will respond promptly to information requests from TRA and its staff. Regulatory authorities may contact me or UDTN's customer service department at (800) 943-3007. Or, they may contact UDTN by mail at 345 Harrison Street, Union City, TN 38261. Applicant commits to replying to all inquiries in a reasonable and timely manner.

Q: Does this conclude your testimony?

A: Yes.

I swear that the foregoing testimony is true and correct to the best of my knowledge.



Ellis Falkoff, President  
U-Dial of Tennessee, Inc.

Subscribed and sworn by me June 2, 2003.



Applying to Provide  
Local Phone Service  
as a CLEC in Tennessee

AND  
CONTAINING RULES AND REGULATIONS  
GOVERNING SERVICE

This tariff is on file with the Tennessee Regulatory Authority, and copies may be inspected during normal business hours at 345 Harrison Street, Union City, TN 38261.

Issued by:  
Ellis Falkoff  
U-Dial of Tennessee, Inc.  
345 Harrison Street  
Union City, TN 38261

1 CHECKLIST

Pages 1 through 9 are effective upon TRA's approval of U-Dial of Tennessee, Inc.'s CLEC application and BellSouth's submission to TRA of its interconnection agreement with U-Dial of Tennessee, Inc. Revised sheets as named below contain all changes from the original tariff that are in effect on the date thereof.

<u>PAGE</u>	<u>ORIGINAL OR REVISED</u>
1	Revised
2	Revised
3	Revised
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9	Revised

## 2 RULES AND REGULATIONS

U-Dial of Tennessee, Inc. (hereinafter referred to as "Company") is an alternative provider of local residential phone service. The Services described in Section 3 of this Tariff are provided to Customers by the Company pursuant to one or more applicable facilities-based interconnection agreements, which has been approved by BellSouth.

### 2.1 Undertaking of the Company

2.1.1 Obligation to Provide Service. The Company shall exercise its best effort to provide Services to Subscribers pursuant to the terms and conditions of the Tariff. The Company only offers local residential service where BellSouth is the ILEC. The Basic Plan offers prepaid local service and optional features; the Deluxe Plan offers prepaid extended local calling with free features and one optional feature.

2.1.2 Right to Discontinue or Block Services. The Company reserves the right to discontinue Services if the Subscriber does not pay Subscriber's bill by the specified due, accepts any collect or third party calls, or uses any pay-per-use service. The additional charges, incurred by subscriber for services which the Company does not allow, are due and payable to the Company upon demand. Deluxe Plan usage that considerably exceeds industry standard normal residential voice usage may result in termination of Services and/or a \$50 data/commercial usage fee.

2.1.3 Right to Use Another Name. The Company reserves the right to use another trade name in providing Services, if it chooses.

### 2.2 Responsibility and Use

2.2.1 Subscriber may use Services for any lawful purpose. Subscriber is solely responsible for prevention of unauthorized, unlawful, or fraudulent use of or access to Services, which use or access is expressly prohibited.

2.2.2 The Subscriber has no property right to the telephone number assigned by Company to the Subscriber. The Company may change Subscriber's number whenever the

Company, in its sole discretion, deems it necessary to do so in the conduct of its business.

2.3 Call Blocking

Notwithstanding any other provision in this tariff, the Company may block collect calls, third party calls, 1+ calls, 10XXXXX calls, 011 calls, and pay-per-use calls.

2.4 Reasons for Denying Service

If Subscriber does not have a jack at premises where Subscriber wants service, or if additional installation costs are incurred which Subscriber does not pay for in advance, the Company reserves the right not to provide service.

2.5 Payment of Services

Subscriber is responsible for payment of Non-Recurring Charges in advance and for payment of Recurring Charges before the Services are rendered for that month. The acceptable forms of payment are cash, certified funds, and Western Union SwiftPay. The remittance address will be indicated on the monthly invoice.

2.6 Taxes and Mandated Charges

Subscriber is responsible for paying all taxes, including but not limited to, federal, state, local, franchise and excise, municipal utilities, FCC access, FCC local number portability, federal universal service charge, and Emergency 911. These taxes and mandated charges for Services will be billed by Company as separate line items on Subscriber's invoice and are not included in any rates set forth in this Tariff.

2.7 Limitation of Liability

2.7.1 The Company's liability with respect to any action, claim, judgment, damages, demand, liability, or expense (i) brought or incurred by Subscriber, or by any other party in connection with the installation, provision, preemption, termination, maintenance, repair, or restoration of Services (including without limitation 911 Service and Directory Listing Service) or (ii) arising from any performance failure, will in no event exceed an amount equal to the Service Charges incurred by Subscriber for the month during which

the Services were affected.

2.7.2 In no event will the Company be liable for loss of profits or for any indirect, incidental, special, consequential, exemplary or punitive damages whatsoever arising, directly or indirectly, from or in connection with the provision of Services (including 911 Service and Directory Listing Service).

2.7.3 The Company will not be liable for defacement of or damages to Subscriber's premises or for any other personal injury or death arising, directly or indirectly, from the furnishing of Services (including 911 Service and Directory listing Service).

2.8 Disclaimer

The Company will have no liability to Subscriber, its employees, agents, subcontractors, or assignees, or to any other person for damages arising out of any underlying carrier's performance failure.

2.9 Indemnification

Subscriber shall indemnify and hold Company and its partners, officers, directors, employees and agents harmless from any and all actions, claims, judgments, damages, demands, liabilities, including attorneys' fees, arising from any loss, damage, or destruction of any property or any personal injury (including death) caused directly or indirectly from the installation, operation, or other use (or failure to use) of the Services.

2.10 Force Majeure

The Company is excused from any performance failure due to causes beyond its reasonable control.

2.11 Full Force and Effect

Should any provision of this Tariff be held by a court or administrative agency of competent jurisdiction to be illegal, invalid, or unenforceable, the remaining provisions of this Tariff will remain in full force and effect.

## 2.12 Governing Law

This Tariff is to be governed by and construed in accordance with the rules and orders of the Tennessee Regulatory Authority and the laws of the State of Tennessee.

## 3 DESCRIPTION OF SERVICES

The Company offers prepaid, switched intrastate telecommunications service which permits Subscribers to establish communications between two locations within the State of Tennessee.

3.1 Prepaid Local Service. Subscriber will be provided a single, voice-grade communications channel, including a telephone number and a Directory Listing. The Company's Prepaid Service permits a Subscriber to (i) place calls within the local calling area, (ii) access 911 Service if available, and (iii) place calls to toll-free 800, 888, 877, or 866 phone numbers. The Company's Prepaid Service does not permit a Subscriber to originate calls to 0, 10XXXXX+0, 00, 0+, 10XXXXX+0+, 1+, 10XXXXX+1+, 1+555-1212, 1+NPA+555-1212, 411, 1+411, 0+411, 1+900, 976, 1+976, 011+, 01, 500 SERVICE. Pay-per-use calls, collect, and third party calls will be blocked by the Company.

3.2 Directory Listing Service. The Company will provide Subscriber a single Directory listing consisting of the Subscriber's name, street address, and telephone number in the telephone directory published by the dominant exchange service provider in the Subscriber's exchange area. In order for a listing to appear in a directory, a Subscriber must furnish the listing to the Company in time to meet the directory publishing schedule.

3.3 911 Emergency Service. 911 Service permits a Subscriber to reach police, fire, and medical services.

## 4 SERVICE PLANS

### 4.1 Basic Plan

4.1.1 Standard Features. Each Prepaid Local Residential Subscriber is provided with local exchange service or Area Plus.

4.1.2 Optional Features. Prepaid Local Residential Subscribers may select from the following optional features: (a) Call Forwarding, (b) Call Waiting, (c) Caller ID – Name and Number, (d) Non-Published Number, (e) Three-Way Calling, (f) Call Waiting Deluxe, (g) Call Return, (h) Repeat Dialing, (i) Call Block, (j) Call Trace, (k) 8 Code Speed Dialing, and (m) Anonymous Call Rejection.

4.1.3 Charges. The Company will charge a Subscriber applicable Non-Recurring Charges and Monthly Recurring Charges as specified in Section 6.1.

4.2 Deluxe Plan

4.2.1 Standard Features. Each Prepaid Local Residential Subscriber is provided with extended local calling plus all features listed in Paragraph 4.1.2, excluding Call Waiting and Non-Published Number.

4.2.2 Optional Features. Prepaid Local Residential Subscribers may select Non-Published Number.

4.2.3 Charges. The Company will charge a Subscriber applicable Non-Recurring Charges and Monthly Recurring Charges as specified in Section 6.2. Recurring Charges are based on a Subscriber's Deaveraged UNE Zone.

5 CHARGES

5.1 Return Check Charge

The Subscriber will be charged twenty dollars (\$20.00) or the applicable statutory return check charge, whichever is greater, whenever a check or draft presented for payment of Services is dishonored by the institution upon which it is drawn.

5.2 Pro-Rate of Second Month's Invoice

The second month's invoice will be billed as follows:

A X B/C where

A = number of days of service

B = flat monthly service

C = 30 (number of days in a month)

5.3 Transferring, Changing or Canceling Service

Company reserves right not to refund money already paid by Subscriber for Service when Subscriber moves, transfers, changes, or cancels Service. A Non-Recurring Transfer Charge shall apply when a Basic Plan or Deluxe Plan Subscriber moves from one location to another within the same local calling area within a thirty (30) day period.

5.4 Promotions

The Company may engage in special promotions of new or existing Service offerings of limited duration. All promotional offerings shall be offered in accordance with applicable Tennessee Regulatory Authority rules and regulations.

6 Rates for Resold Local Exchange Service

6.1 Prepaid Local Residential Phone Service – Basic Plan

6.1.1 Non-Recurring Charges

Line Connection	\$ 39.95
Conversion of Working Number	9.95
Add/Change/Delete	14.95
Line Change	32.95
Transfer	44.95

6.1.2 Recurring Charges

6.1.2.A Monthly Service

Local Service	\$ 29.95
Area Plus	54.95

6.1.2.B Optional Features

Anonymous Call Rejection	\$ 5.00
Call Waiting	5.00
Non-Published Number	5.00
Repeat Dialing	5.00
Call Forwarding	5.00
Three-Way Calling	5.00
Call Return	5.00
8 Code Speed Dialing	5.00
Call Block	5.00



Call Trace	5.00
Call Waiting Deluxe	7.00
Caller ID - Name and Number	10.00

## 6.2 Prepaid Local Residential Phone Service – Deluxe Plan

### 6.2.1 Non-Recurring Charges

Line Connection	\$ 24.95
Conversion of Working Number <sup>1</sup>	0.00
Conversion of Working Number <sup>2</sup>	4.95
Add/Change/Delete	14.95
Line Change	32.95
Transfer	44.95

### 6.2.2 Recurring Charges

#### 6.2.2.A Monthly Service

UNE Zone 1	\$ 28.95
UNE Zone 2	38.95
UNE Zone 3	48.95

#### 6.2.2.B Optional Feature

Non-Published Number	\$ 5.00
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<sup>1</sup> Applies to a new U-Dial of Tennessee customer only.

<sup>2</sup> Applies to an existing U-Dial of Tennessee customer only.